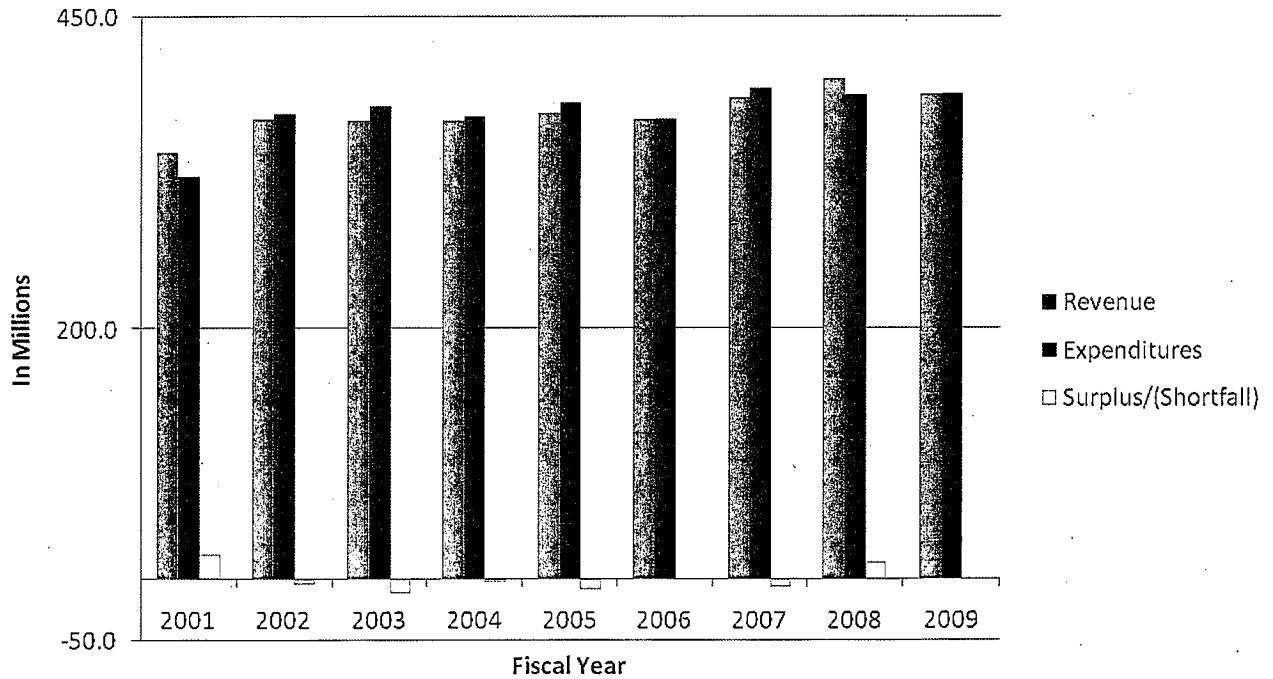


REVENUE SMOOTHING FUND DISCUSSION

City of Long Beach Financial Policies – General Fund Reserves: The City shall maintain an Emergency Reserve equivalent to 10 percent of General Fund recurring expenditures and an Operating Reserve equivalent to 10 percent of General Fund recurring expenditures. Once the General Fund budget is brought into structural balance, a minimum of 5 percent of all new (ongoing) discretionary reserve will be devoted to the operating fund reserve. If these reserves are used, a plan will be developed and implemented to replenish the funds used.

**General Fund - Actuals
Revenue and Expenditures**



ACTUALS	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenue	341.788	368.054	366.850	366.956	372.847	368.175	385.704	401.015	388.122
Expenditures	321.936	372.637	378.870	370.095	381.725	368.650	392.751	387.297	388.121
Surplus/(Shortfall)	19.852	-4.583	-12.020	-3.139	-8.878	-0.475	-7.047	13.719	0.001